

ranges will be established in the applicable RFP.

(7) *Project cost per owner-producer.* This is calculated by dividing the amount of Federal funds requested by the total number of producers that are owners of the venture. Points to be awarded will be established in the applicable RFP.

(8) *Presidential initiatives.* Points may be awarded for proposals that focus on Presidential initiatives. Descriptions of these initiatives and the points to be awarded will be established in the applicable RFP.

(b) *Working Capital Grants*—(1) *Business viability.* Proposals will be evaluated on the basis of the technical and economic feasibility and sustainability of the venture and the efficiency of operations.

(2) *Customer base/increased returns.* Proposals that demonstrate strong growth in a market or customer base and greater Value-Added revenue accruing to producer-owners will receive more points than those that demonstrate less growth in markets and realized Value-Added returns.

(3) *Commitments and support.* Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature, level and quality of their contributions. End user commitments will be evaluated on the basis of identified markets, letters of intent or contracts from potential buyers and the amount of output to be purchased. Proposals will be reviewed for evidence that the project enjoys third party support and endorsement, with emphasis placed on financial and in kind support as well as technical assistance.

(4) *Management team/work force.* The education and capabilities of project managers and those who will operate the venture must reflect the skills and experience necessary to effect project success. The availability and quality of the labor force needed to operate the venture will also be evaluated. Proposals that reflect successful track records managing similar projects will receive higher points for this criterion than those that do not reflect successful track records.

(5) *Work plan/Budget.* The work plan will be reviewed for whether it provides specific and detailed planning task descriptions that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated with the planning activities. The budget must present a detailed breakdown of all estimated costs associated with the venture's operations and allocate these costs among the listed tasks. Points may not be awarded unless sufficient detail is provided to determine whether or not funds are being used for qualified purposes. Matching funds as well as grant funds must be accounted for in the budget to receive points.

(6) *Amount requested.* Points will be awarded based on the size of the grant request. Requests for lower amounts will receive a higher score for this criterion than higher requests. The points to be awarded and request ranges will be established in the applicable RFP.

(7) *Project cost per owner-producer.* This is calculated by dividing the amount of Federal funds requested by the total number of producers that are owners of the venture. Points to be awarded will be established in the applicable RFP.

(8) *Presidential initiatives.* Points may be awarded for proposals that focus on Presidential initiatives. Descriptions of these initiatives and the points to be awarded will be established in the applicable RFP.

#### § 4284.914 Grant closing.

(a) *Letter of Conditions.* The Agency will notify an approved applicant in writing, setting out the conditions under which the grant will be made.

(b) *Applicant's intent to meet conditions.* Upon reviewing the conditions and requirements in the letter of conditions, the applicant must complete, sign and return the Agency's "Letter of Intent to Meet Conditions," or, if certain conditions cannot be met, the applicant may propose alternate conditions to the Agency. The Agency must concur with any changes proposed to the letter of conditions by the applicant before the application will be further processed.

(c) *Grant agreement.* The Agency and the grantee must sign the Agency's

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## § 4284.1007

“Value-Added Producer Grant Agreement” prior to the advance of funds.

### §§ 4284.915–4284.999 [Reserved]

#### § 4284.1000 OMB control number.

The reporting and recordkeeping requirements contained in this regulation have been approved by the Office of Management and Budget (OMB) and have been assigned OMB control number 0570-0039 in accordance with the Paperwork Reduction Act of 1995.

### Subpart K—Agriculture Innovation Demonstration Centers

SOURCE: 69 FR 23433, Apr. 29, 2004, unless otherwise noted.

#### § 4284.1001 Purpose.

This subpart implements a demonstration program administered by the Rural Business-Cooperative Service whereby grants are made to innovation centers responsible for providing technical and business development assistance to agricultural producers seeking to engage in the marketing or the production of Value-Added products.

#### § 4284.1002 Policy.

It is the policy of the Secretary of Agriculture to fund Centers which evidence broad support from the agricultural community in the state or region, significant coordination with end users (processing and distribution companies and regional grocers), strategic alliances with entities having technical research capabilities and a focused delivery plan for reaching out to the producer community. It is also the policy of the Secretary, using the research and technical services of the U.S. Department of Agriculture, to assist the grantees in establishing Centers. This program is not intended to fund scientific research.

#### § 4284.1003 Program administration.

The Agriculture Innovation Demonstration Center program is administered by Cooperative Services within the Agency.

#### § 4284.1004 Definitions.

*Board of Directors*—The group of individuals that govern the Center.

*Center*—The Agriculture Innovation Center to be established and operated by the grantees. It may or may not be an independent legal entity, but it must be independently governed in accordance with the requirements of this subpart.

*Producer Services*—Services to be provided by the Centers to agricultural producers. Producer Services consist of the following types of services:

(1) Technical assistance, consisting of engineering services, applied research, Scale Production Assessments, and similar services, to enable the agricultural producers to establish businesses to produce Value-Added agricultural commodities or products;

(2) Assistance in marketing, market development and business planning, including advisory services with respect to leveraging capital assets; and

(3) Organizational, outreach and development assistance to increase the viability, growth and sustainability of businesses that produce Value-Added agricultural commodities or products.

*Qualified Board of Directors*—A Board of Directors that includes representatives from each of the following groups:

(1) The two general agricultural organizations with the greatest number of members in the State in which the Center is located;

(2) The State department of agriculture, or equivalent, of the State in which the Center is located; and

(3) Entities representing the four highest grossing commodities produced in the State in which the Center is located, as determined on the basis of annual gross cash sales.

*Scale Production Assessments*—Studies that analyze facilities, including processing facilities, for potential Value-added activities in order to determine the size that optimizes construction and other cost efficiencies.

### §§ 4284.1005–4284.1006 [Reserved]

#### § 4284.1007 Eligibility for grant assistance.

Non-profit and for-profit corporations, institutions of higher learning